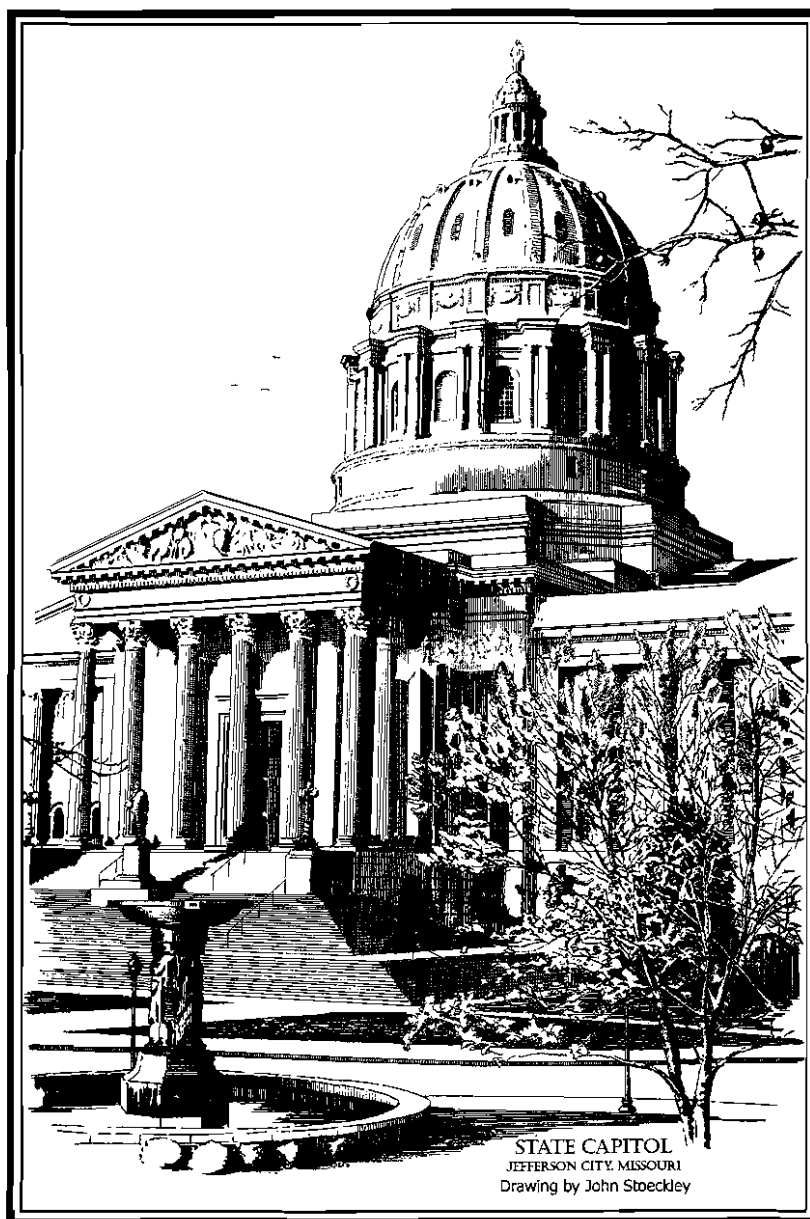


THE MISSOURI BUDGET

BUDGET AND LEGISLATIVE PRIORITIES



GOVERNOR MATT BLUNT

FISCAL YEAR 2009

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MATT BLUNT
GOVERNOR

ROOM 216
STATE CAPITOL
65101

January 15, 2008

TO THE GENERAL ASSEMBLY AND THE PEOPLE OF MISSOURI:

My proposed Fiscal Year 2009 (FY 09) budget is a spending plan that continues to move our state forward in many areas including education, health care, and economic development. This budget is possible because of actions we have taken over the past three years. In my first budget, we closed a \$1.1 billion deficit and, with your help, we have achieved budget surpluses in each of the last two years and my FY 09 budget provides for another significant ending balance.

This year, I am again directing additional state funds to our local school districts, state college and university campuses, and need-based student scholarships. My budget will continue full funding for the new Foundation Formula now in its third year of implementation. Higher education is a vital investment in our future. Therefore, my FY 09 budget includes a \$54.2 million increase for the two- and four-year state colleges and universities. I am proposing a total of \$100 million in need-based scholarships for Missouri students. This is a quadrupling of that amount since I took office. With these recommendations, the total increase of our investment in education from FY 05 to FY 09 is \$1.2 billion.

I am deeply committed to expanding access to health care for Missourians. That is why I have acted to save the taxpayer supported health care safety net from bankruptcy by creating a new, innovative program to deliver 21st Century health care to Missourians. My call to increase funding by more than \$800 million supports our commitment to focus on health, prevention, and wellness rather than merely treating illness or injury after it has occurred. My new plan called MO HealthNet greatly improves the state's health care program for 830,000 low-income Missourians. Innovative solutions including a health care home, expanded access to care for foster children, and use of technology will improve health care for all participants. In addition to the important and beneficial changes to MO HealthNet, I am proposing the Insure Missouri program that will expand access to coverage to more than 200,000 Missourians. I propose implementing these valuable changes without increasing taxes.

We have moved in a new direction, making state government a catalyst for job creation, and a good steward of taxpayer resources. Our economy is responding to my administration's pro-jobs, pro-growth policies. My budget will continue our efforts to retrain existing workers, retain jobs in our state, and sell the benefits of doing business in Missouri. Because I believe that the citizens of our state deserve the benefit of our successes, for FY 09 I propose additional tax relief for Missouri taxpayers and businesses including the elimination of the tax on military pensions, and tax credits to encourage venture capital investment and energy conservation. I look forward to working with all of you to enact the FY 09 budget and my priority legislative initiatives.

Sincerely,

A handwritten signature in black ink that reads "Matt Blunt".

Matt Blunt

Missouri Budget and Legislative Priorities

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Improving Education in Missouri

Achievements

Governor Blunt's highest priority is education. As a candidate for governor, he pledged that he would never withhold funds from classrooms and never deliver less money to classrooms than in the prior year. The Governor has fulfilled this pledge and made monumental improvements to Missouri classrooms and higher education institutions. Over the past three years, the Governor has supported early childhood programs, massively increased funding for K-12 schools, and made significant investments in higher education initiatives.

In the first three years of his administration, Governor Blunt has:

- Signed legislation to craft a new education funding formula that will increase education funding by nearly a billion dollars over several years.
- Secured \$547.8 million increase to benefit elementary and secondary education, including \$403.1 million for the new Foundation Equity Formula.
- Acquired \$4.2 million for Math, Engineering, Technology, and Science (METS) programs.
- Recommended \$4 million for expanding Missouri's nationally recognized Parents as Teachers Program.



Bill Greenblatt

"Education is my highest budget and public policy priority. I have increased opportunity in our state and helped plant the seeds for future prosperity for our students."

-Matt Blunt

- Signed legislation to create a new Virtual Schools Program to offer students access to a new way of learning. \$5.2 million in new funding was provided to start the new program in Fiscal Year 2008.
- Signed legislation establishing a prekindergarten through graduate school (P-20) council to ensure a smooth transition through primary, secondary, college, graduate school, and the workforce.
- Secured \$62.7 million for state aid at Missouri's public higher education institutions.
- Secured \$47.3 million in need-based scholarships, more than doubling funding for Missouri's neediest students.
- Championed landmark legislation creating the Lewis and Clark Discovery Initiative to provide Missouri's colleges and universities with funding for facility infrastructure improvements. \$335 million has been secured for this initiative, with \$289 million already allocated to Missouri higher education institutions.

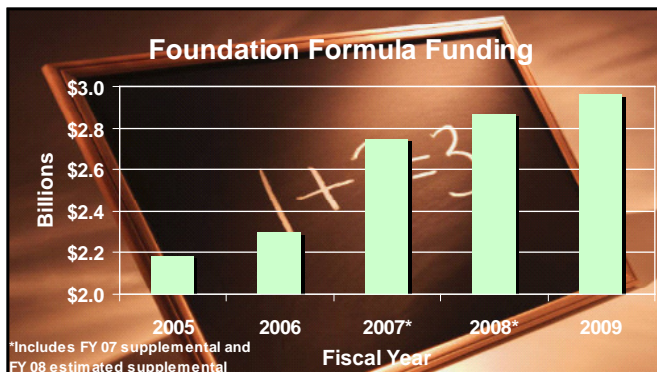
PreK-12 Education

PreK-12 Education 2008

Governor Blunt has made quality education his top priority. Funding for public schools (K-12) has increased more than half a billion dollars for classrooms during Governor Blunt's first three years in office. This commitment is reflected not only in annual increases in basic state aid through the

Foundation Program, but also additional funding for a variety of other targeted priorities. Governor Blunt's Fiscal Year 2009 budget recommendations reflect his continued commitment to education, providing \$2.96 billion for the foundation

formula and more than \$4.2 billion for direct state aid to Missouri schools.



FY 2009 Budget Recommended Increases

- \$121.3 million for the Foundation Formula
- \$10 million for Title I School Improvement
- \$5.5 million for the School District Trust Fund
- \$5.2 million to provide a wage increase for Sheltered Workshops
- \$3.5 million for the A+ Program
- \$2.5 million for Early Childhood Special Education
- \$2.1 million for eMINTS
- \$2 million for Parents as Teachers
- \$1.5 million for the High Need Program
- \$1 million for Wallace Grants
- \$1 million for Early Head Start
- \$1 million for Virtual Schools
- \$500,000 for Advanced Placement Teacher Training
- \$216,200 for Urban Flight & Rural Needs Teacher Scholarships
- \$100,000 for After School programs

METS Initiative

In addition to the annual increases provided for the foundation formula, Governor Blunt has recommended additional funding to expand his Math, Engineering, Technology, and Science (METS) Education Initiative. The Governor's METS Education Initiative seeks to improve student performance, motivate students to pursue targeted areas of study, and expand the number of METS program instructors. To meet these goals, Governor Blunt has provided funding for After School programs, eMINTS, and Advanced Placement.

High quality After School programs will help communities improve the health, safety, and academic achievement of students. Governor Blunt's Fiscal Year 2009 budget will provide an additional \$100,000 for After School programs, bringing total funding to \$1.1 million, again targeted for math and science programs or health and wellness.

Improving Education in Missouri

eMINTS (enhancing Missouri's Instructional Networked Teaching Strategies) provides specialized classrooms, offers on-going professional development for teachers, and supports state-of-the-art technology for students. Governor Blunt's Fiscal Year 2009 budget includes an additional \$2.1 million for eMINTS, bringing total program funding to \$5 million. This funding will once again be targeted for math and science classrooms.

Governor Blunt is also recommending \$750,000 to support students' interests in math and science and encourage students to take Advanced Placement (AP) courses and exams. \$500,000 in new funding will reduce out-of-pocket expenses incurred by teachers seeking AP training. \$250,000 is again being recommended to offset student AP exam fees. This funding will help approximately 1,000 teachers receive the training they need to teach math and science AP courses, and nearly 6,500 Missouri students pay for math and science exams.

Virtual School Instruction Program

Governor Blunt signed legislation in 2006 creating the Missouri Virtual School Instruction Program, creating a full-service online education program. Governor Blunt's Fiscal Year 2009 budget calls for \$6.2 million for the Virtual School which serves approximately 1,600 students. The additional funding will allow middle school courses to be offered online. The Missouri Virtual School is available statewide to students with a variety of needs including:

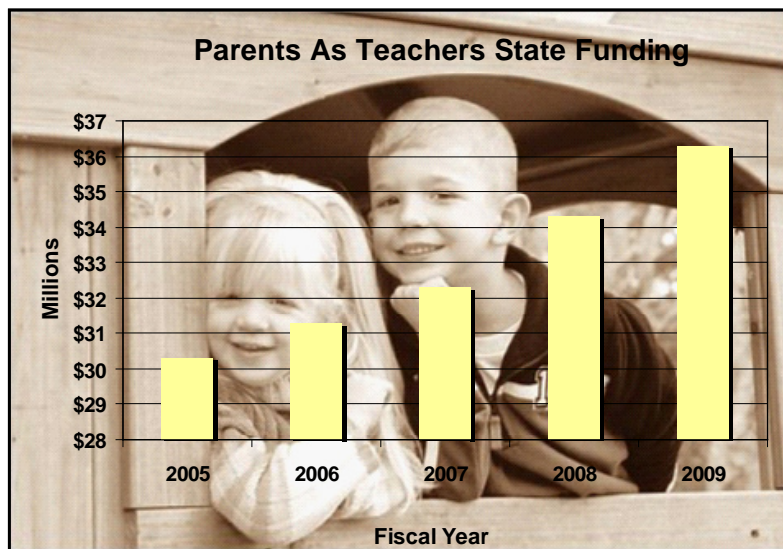
- Students seeking Advanced Placement or high-level courses not offered in their school.
- Students who are home bound due to injuries or medical conditions.
- Students lacking credits or seeking remedial help.
- Home-schooled students.

Parents as Teachers

Governor Blunt is committed to early childhood learning. The Parents as Teachers program was started in Missouri, and has been a model for programs throughout the country and internationally.

Parents as Teachers is an education and family support

program serving families throughout pregnancy until their child enters kindergarten. Governor Blunt's annual increases to Parents as Teachers have allowed the program to expand services to Missouri's youngest students. Early learning is critical to a child's academic success. Governor Blunt's Fiscal Year 2009 budget recommendations call for an additional \$2 million for this essential program, bringing total funding to \$36.3 million annually.



Higher Education

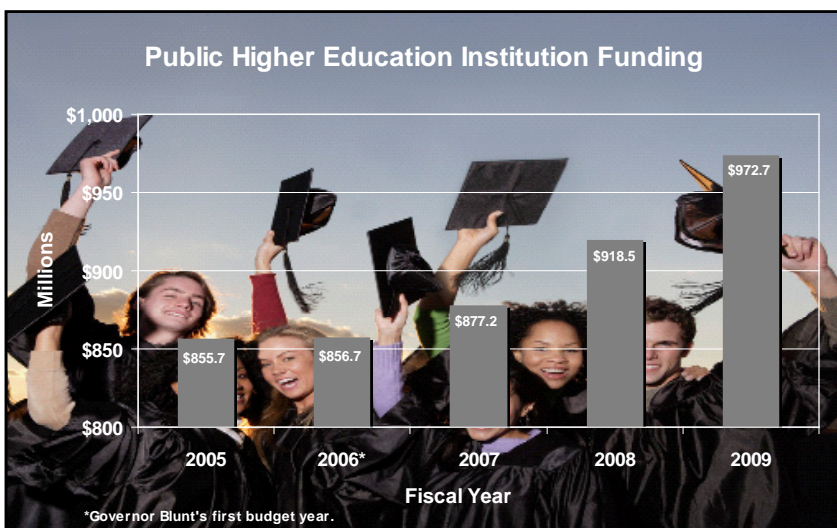
To ensure future prosperity, Missouri students must have access to the knowledge and skills they need to compete in a global economy. Governor Blunt is committed to building a world class higher education system for Missouri students. Since taking office, the Governor has provided substantial increases in direct funding for colleges and universities, funded a landmark initiative that reinvests in state colleges and universities, improved the accountability of higher education institutions, quadrupled the state's investment in Access Missouri scholarships, and proposed health education programs to improve access to care in Missouri.

Increases for Colleges and Universities

The Governor's Fiscal Year 2009 budget recommendations include an additional \$40 million in direct funding for Missouri colleges and universities, a 4.4 percent increase over last year, and \$13.4 million to support expanding health programs throughout the state. These recommendations build on the Governor's continued support for education and will bring total increases in funding to nearly \$117 million, or 14 percent.

Missouri, like other states, is experiencing a shortage of students entering health care professions. Governor Blunt's investment in health programs will help expand education

opportunities for Missouri students pursuing careers in health-related fields and will ultimately expand Missourians' access to care. Additional funding will create new opportunities for 165 students at four-year institutions and 146 students at two-year institutions. Missouri students will benefit from increased access to health-related professions, and all Missourians will benefit through a greater supply of health professionals.



"Education is the most important, critical, and significant investment we can make in our future."

-Matt Blunt

Improving Education in Missouri

Lewis and Clark Discovery Initiative

Through the Governor's landmark Lewis and Clark Discovery Initiative (LCDI), enacted in 2007, \$335 million has been generated to reinvest in and strengthen Missouri's colleges and universities. The initiative benefits students and is providing much needed funding for state-of-the-art teaching and research centers. New centers, supported by this initiative, will prepare students to compete in today's global economy where higher quality education in areas such as math and science are crucial elements for students' future success.

Tuition Stabilization and Accountability

Legislation signed by Governor Blunt in 2007 established the accountability that taxpayers want when it comes to tuition increases and expenditures. The new law:

- Requires that institutional and statewide measures be established for Missouri's higher education system by July 1, 2008.
- Provides tuition relief for families by limiting tuition increases at Missouri's public four-year institutions.

The Governor's budget includes funding for the Department of Higher Education to implement these important new initiatives.

Scholarship Funding

The Access Missouri Scholarship program levels the playing field for scholarship applicants and ensures Missouri's neediest students receive aid. The program has one simple formula based on a family's ability to pay for college. It provides assistance to all of our colleges and universities. Last year, the Governor more than doubled funding for need-based scholarships through Access Missouri. Governor Blunt's Fiscal Year 2009 budget includes a \$27.9 million increase for these scholarships, bringing total funding to \$100 million. Since taking office, the Governor has quadrupled need-based scholarship funding through Access Missouri. Last year, 16,400 students received need-based scholarships. This year the Governor's support for additional funding has more than doubled that number. Over 36,000 students have already received assistance.

FY 2009 Budget Recommended Increases

- \$46.2 million for the University of Missouri-Columbia Ellis Fischel Cancer Center and the University of Missouri-Kansas City Pharmacy and Nursing Building
- \$40.2 million in additional funding for Missouri colleges and universities
- \$27.9 million increase for need-based scholarships
- \$13.4 million for the Preparing to Care Initiative
- \$10 million for capital improvements at Linn State Technical College
- \$1 million for a joint engineering program at Missouri State University and Missouri University of Science and Technology
- \$448,243 to staff the new performance-based model for higher education
- \$49,414 to improve regulation of proprietary schools and protect Missourians from diploma mills and substandard institutions

P-20 Council

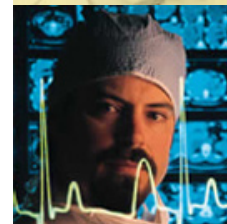
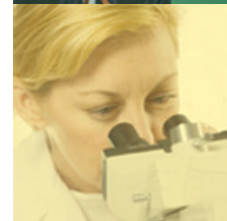
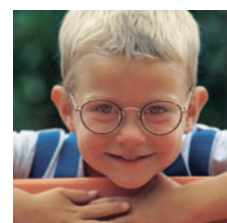
In 2006, Governor Blunt signed legislation creating the Missouri P-20 Council, to provide better, stronger, and more aligned education and workforce training systems. Members of the Council include the Commissioners of Education (K-12) and Higher Education, the Director of the Department of Economic Development, the President of the State Board of Education, and the Chair of the Coordinating Board for Higher Education.

Governor Blunt recognizes that lasting economic growth for Missouri requires a competitive workforce and has made offering a world class education for Missouri students his number one goal. To ensure Missouri students can compete in a global economy, the P-20 Council is focusing efforts on a unique, comprehensive approach that aligns each level of education - preschool, elementary, middle school, high school, two and four-year colleges, and post-graduate education, as well as workforce training - in an effort to better prepare Missouri students.

This alignment of systems and programs will make it easier for all Missourians to gain the skills and education they need to compete in an increasingly competitive economy. The first product of the P-20 Council is 'Workforce 2025', a collaborative analysis of the state's educational and industry trends. Its aim is to identify ways to prepare students now for the workforce needs of the future, as well as retrain current workers who will make up more than half of Missouri's workforce in 2025.

To advance these efforts, Governor Blunt will continue to coordinate efforts around key education and workforce strategies that will place Missouri at the forefront of a global economic transformation. These strategies focus on:

- Regional summits to raise awareness, network assets, and plan to improve the quality of education and training.
- Continued emphasis on METS initiatives.
- Greater collaboration among state departments responsible for education and economic development.
- Continued emphasis on targeting high-technology industry clusters.
- Maximization of community assets to improve Missouri's attractiveness to young professionals with degrees.
- Continued retooling of adult workforce programs.



P-20 Council
2008



Growing Missouri's Economy

Achievements

Governor Blunt has made it a priority to increase opportunities for all Missourians by promoting pro-growth, pro-job initiatives and not raising taxes. The Governor believes every Missourian should have a chance at a good, family-supporting job. Since taking office, the Governor has championed extensive reforms to improve the climate for Missouri businesses, communities, and farmers. During the first three years of his administration he has:

- Encouraged the creation of tens of thousands of new jobs.
- Enacted comprehensive workers' compensation reform.
- Passed litigation reform, enabling small businesses and entrepreneurs to operate without the constant fear of unfounded lawsuits.
- Enacted the Quality Jobs Act - the most effective economic development incentive in Missouri. Since 2005, Quality Jobs has helped create over 22,000 new jobs that pay good salaries and provide health care benefits. In 2007, the Governor expanded this successful program.
- Enacted a manufacturers tax exemption to promote growth in Missouri's manufacturing sector and attract new businesses to the state.
- Created the New Markets Tax Credit Program, allowing taxpayers to claim a credit against their state taxes for qualified investments made in economically challenged areas.
- Secured an extension of the New Jobs Training Program, which provides assistance to companies creating a substantial number of new jobs in Missouri.
- Created the DREAM initiative to promote revitalization of 20 Missouri communities.
- Initiated the successful Tour of Missouri bicycle race, which generated a positive economic impact of \$26.2 million.
- Signed the Missouri Renewable Fuel Standard Act, which requires most gasoline sold in Missouri to contain at least ten percent ethanol.
- Improved energy management systems and reassessed how state agencies consume energy.
- Signed legislation to improve or replace over 800 Missouri bridges by allowing access to bonds needed for the projects, through the Safe and Sound Bridge Improvement Program.
- Started the Missouri Quality Systems Assessment Program for Livestock, making Missouri the first state to be certified by the USDA for its own beef quality assurance program.
- Created a beef tax credit, giving producers an incentive to keep cattle in Missouri longer, which will benefit cattle operations and local communities.
- Signed legislation creating the Large Animal Veterinary Student Loan Program to help ensure that under-served areas have access to large animal veterinary care, a service essential to healthy, productive herds.
- Supported alternative fuel development and fully funded ethanol and biodiesel production.
- Created an Agriculture Resources Coordinator to help farmers comply with state law and regulatory rules.

Expanding Jobs & Research

Expanding Jobs & Research 2008

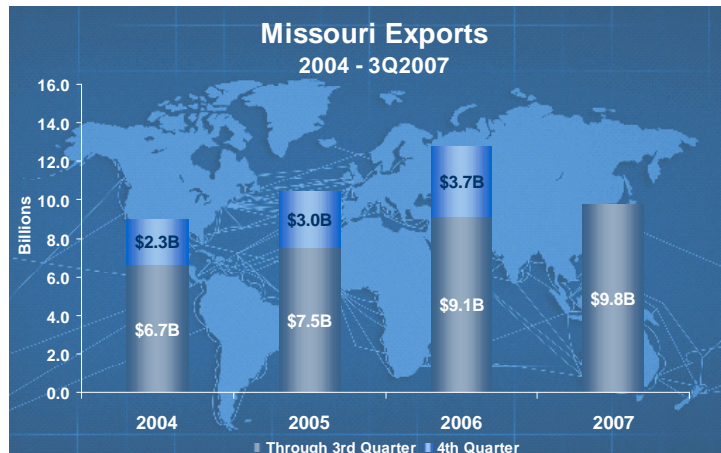
Governor Blunt has been aggressive in implementing his economic vision for the state and attracting and retaining high-quality, family-supporting jobs. The Governor's pro-job, pro-growth initiatives have created tens of thousands of new jobs since January 2005. During this time, the state set export records for three years in a row. Missouri has only begun to reap the benefits of this new proactive approach to attracting jobs to Missouri. Governor Blunt continues to expand economic development and research opportunities that create additional Missouri jobs.

Quality Jobs

The Quality Jobs Act provides communities new tools to attract high paying jobs to Missouri. To qualify for the incentives under the Quality Jobs Program, potential employers must provide a competitive county wage and health care benefits to employees. Over the past two and-a-half years, Missouri has already experienced major successes in creating and retaining jobs as well as expanding investment in Missouri thanks to the Quality Jobs Act. To date, the successful program has created and retained more than 22,000 jobs.

Life Sciences Research

The mission of the Missouri Life Sciences Research Board is to direct the use of the Life Sciences Research Trust Fund to enhance research capacity to better serve the health and welfare of Missouri citizens, and promote Missouri as a center of life science research. The Board will build upon the success of existing Missouri research institutions, and create and attract new research and development entities. Missouri is a world leader in plant biotechnology and a world class destination for animal health companies. Transforming research into commercial life science technology is the next logical move. Securing funding for the Life Sciences Research Trust Fund is a way to increase Missouri's capacity in plant and animal science research, making the state even more competitive in the future. Governor Blunt has recommended funding for the Life Sciences Research Trust Fund every year since he took office. The Governor's Fiscal Year 2009 budget includes an additional \$5.9 million for life science research.



FY 2009 Budget Recommended Increase

- \$5.9 million for the Life Sciences Research Trust Fund

Growing Missouri's Economy

Lewis and Clark Discovery Initiative

Governor Blunt's historic Lewis and Clark Discovery Initiative (LCDI) was enacted in 2007. The initiative takes an enormous stride forward for higher education in our state, and provides much needed funding for state-of-the-art learning and research centers so students can more effectively compete in the global economy.

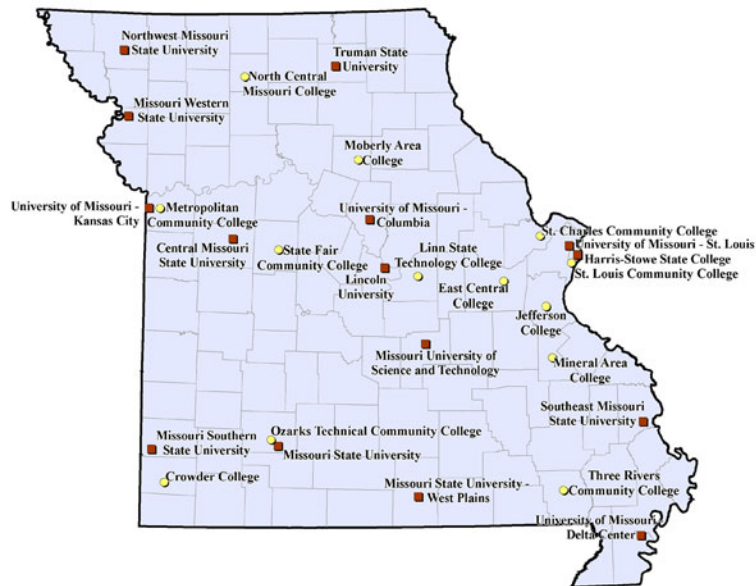
"I am committed to creating an entrepreneurial climate in Missouri that leads to the creation of quality, family-supporting jobs."

-Matt Blunt

In addition to funds targeted toward research and education in the LCDI, several areas received funding to commercialize research and new technologies through the Missouri Technology Corporation:

- \$15 million for programs designed to improve commercialization of Missouri technologies and maximize the opportunities created by Missouri research, including:
 - \$3 million for seed capital co-investment and the establishment of an entrepreneurial pipeline. This funding will result in the formation of the Missouri Venture Partners, a program designed to help fill an investment and expertise void that exists due to a lack of qualified entrepreneurs in Missouri who are familiar with the technology sector.
 - \$1.1 million to establish an intellectual property management fund to help Missouri start-up companies and universities pursue patent protection for promising new technologies.

LCDI Capital Projects



2008 Legislative Priority Investing in Missouri Businesses

To expand investments in Missouri businesses and create additional jobs, Governor Blunt supports legislation to establish the Missouri Venture Capital Enhancement Program. This new program will provide income tax credits to investors who provide capital to qualifying high-tech Missouri companies. Provisions will be included to ensure the companies remain in Missouri.

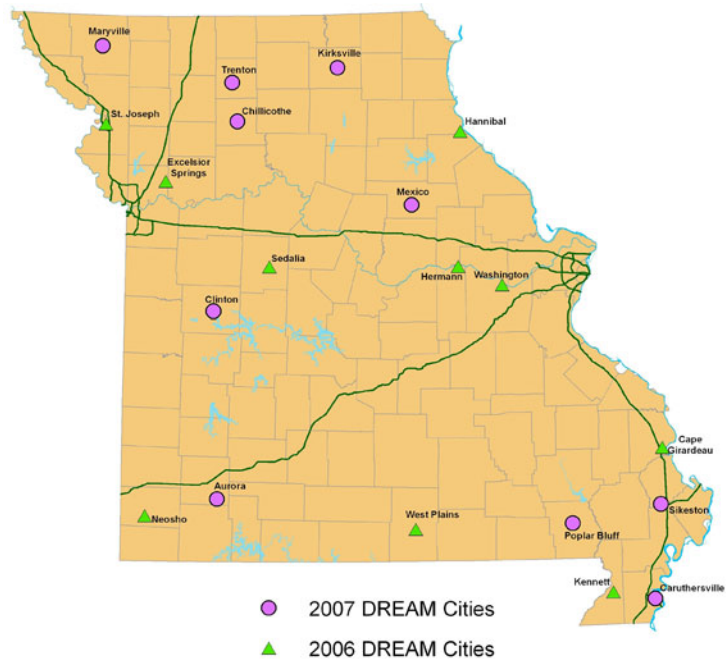
Community Development & Tourism

Investment in community revitalization provides numerous benefits: improving the quality of life of residents, enhancing the landscape of the community, reducing crime, and attracting new businesses and jobs. Over the past three years, Governor Blunt has made significant investments in creating economic opportunities for Missouri communities.

DREAM

The Downtown Revitalization and Economic Assistance for Missouri (DREAM) initiative is a collaborative effort among the Department of Economic Development, the Missouri Housing Development Commission, and the Missouri Development Finance Board to concentrate state resources and programs that do the most good for selected Missouri communities' downtown areas. Governor Blunt created the initiative as an opportunity to revitalize the once prosperous and still promising downtown areas of Missouri communities. During 2006 and 2007, 20 communities have been designated as DREAM communities. Additional communities will be named in 2008, creating new investments and creating good, family-supporting jobs in cities and towns across the state.

Missouri DREAM Initiative



Art, Humanities and Historic Preservation

Governor Blunt and First Lady Melanie Blunt are strong advocates for the arts, humanities, and historic preservation in Missouri. The Missouri Arts Council provides financial and technical assistance to non-profit, Missouri-based organizations that fund art projects for the citizens of the state. The Missouri Humanities Council funds programs that help communities understand and celebrate a shared history and assist local institutions in developing the capacity to engage the public in lifelong learning activities. The Historic Preservation Revolving Fund helps acquire or stabilize endangered historic properties around the state. Governor Blunt's Fiscal Year 2009 budget directs an additional \$11.3 million to be distributed from taxes paid by non-resident athletes and entertainers, including \$9 million invested in these important local programs.

Growing Missouri's Economy

Tour of Missouri

The Tour of Missouri began with a letter to Governor Blunt from a friend and avid cyclist. The Governor asked Lieutenant Governor Peter Kinder to lead a committee to pursue the idea of bringing a professional cycling race to Missouri. September 2007 marked the inaugural Tour of Missouri, giving Missouri the opportunity to showcase the state to an international audience. For six days some of the world's top athletes covered 600 miles of the state. The Tour included stops in Kansas City, Branson, Jefferson City, Columbia, Hermann, Springfield, Clinton, Lebanon, St. Charles, and St. Louis - pouring tourism dollars into these local economies and highlighting our beautiful state. The Tour also presented an opportunity to promote health and wellness to young Missourians and created a new generation of fans.

The Tour of Missouri surpassed all expectations and demonstrated its value and benefits at least ten times over, generating \$26.2 million in spectator expenditures. The first Tour of Missouri was a huge success and is slated to be one of the top three professional cycling races in the United States. The race attracted some of the world's top-ranked cycling teams.

Grants for Local Parks

Missouri is blessed with abundant natural resources, and many communities highlight Missouri's beauty with their local parks. The state's natural resources and outdoor recreation should be accessible

FY 2009 Budget Recommended Increases

- \$6.8 million for the Missouri Arts Council Trust Fund
- \$4 million for tourism
- \$1.1 million for the Historic Preservation Revolving Fund
- \$1.1 million for the Missouri Humanities Council Trust Fund
- \$1 million for local park improvement grants

for Missourians to experience and enjoy. State general revenue funding to support local parks has not been available for more than six years. Governor Blunt recommends \$1 million in Fiscal Year 2009 to allow local governments to improve their parks and to provide greater recreation opportunities for Missourians. These competitive matching grants will be available to communities statewide through the Local Parks Program.



Bill Greenblatt

Energy & the Environment

Energy & the Environment 2008

Governor Blunt has been a leader in promoting renewable energy and protecting the environment, enacting many solutions to safeguard Missouri's environmental interests. The Governor's efforts include implementing preventative maintenance, investing in improved energy management systems, and reassessing how state agencies consume and pay for energy. Changes implemented under his leadership are saving \$15 million per year and reducing state government's carbon output by 202 million pounds per year. Last year's Clean Water Initiative

will provide \$50 million in bonds to assist Missouri communities that are facing problems related to drinking water and wastewater treatment. Before this initiative, no bonds had been sold for five years. Governor Blunt continues his efforts to protect Missouri's environment by supporting renewable fuel production, ensuring clean and safe drinking water, and encouraging energy conservation by Missouri families and businesses.

FY 2009 Budget Recommended Increases

- \$36 million for improvements to state conservation areas
- \$1.7 million to enhance state park operations and support development of a new state park on the Current River
- \$1.2 million to continue state efforts to provide access to clean and safe water for drinking and recreation
- \$500,000 for environmental and emergency response equipment
- \$300,000 for energy audits of municipal water treatment facilities
- \$123,590 to streamline water permit issuances
- \$100,000 to provide energy audits for small businesses

Clean and Safe Water Resources

The Water Protection Program helps ensure clean and safe water and safeguards Missouri's water resources. Previous administrations have reduced state general revenue funding allocated to the program. To ensure Missouri's water resources are protected for drinking and recreation, the Governor's Fiscal Year 2009 budget includes \$1.2 million for the Water Protection Program. The additional funding will support permit processing

and help provide regulated entities with the information they need to know to meet environmental requirements and ensure water protection.

Energy Conservation

Energy conservation and new energy initiatives are important to the state and nation's future. Energy initiatives protect the environment, bolster national security by

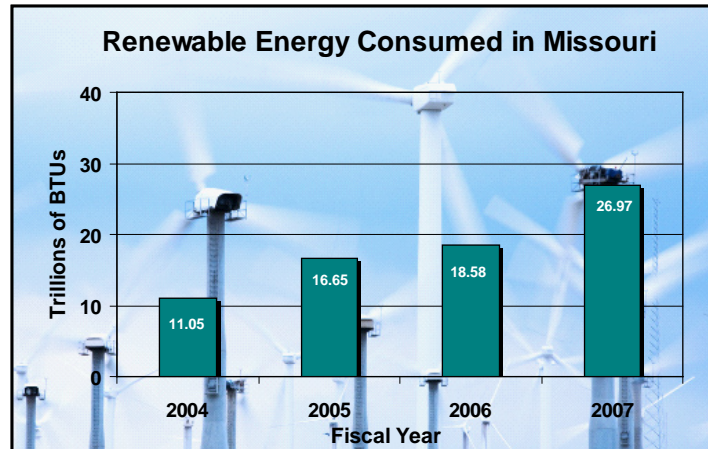
"It is incumbent on state government to be good stewards of our environment helping to safeguard the air and water quality that enriches the quality of life for all Missourians."

-Matt Blunt

Growing Missouri's Economy

decreasing reliance on foreign fuels, and present exciting and new opportunities for economic growth. Energy conservation can be simple, but it has a big impact. If all households achieved a two percent reduction in energy use each year for the next 30 to 40 years, America would be halfway to stabilizing our greenhouse gas emissions.

ENERGY STAR is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy. It is designed to identify and promote energy-efficient products to reduce greenhouse gas emissions. ENERGY STAR provides a trustworthy label on over 50 product categories (and thousands of models) for the home and office. These products deliver the same or better performance as comparable models while using less energy and saving money. Energy-efficient choices can save families about a third on their energy bill with similar savings of greenhouse gas emissions, without sacrificing features, style, or comfort. Governor Blunt is proposing a Show Me Green tax holiday.



E85 is the term for motor fuel blends of 70-85 percent ethanol and as little as 15 percent gasoline. E85 is an alternative which burns cleaner than gasoline and is a completely renewable, domestic, environmentally friendly fuel that enhances the state's economy and energy independence. Governor Blunt's 2008 legislative priorities include several proposals to support energy conservation and renewable fuel usage by Missourians. The State of Missouri's fleet now has over 1,700 flex fuel E85 vehicles and 79 percent of new eligible purchases can run on alternative fuels.

2008 Legislative Priority **Energy Conservation & Renewable Fuel Incentives**

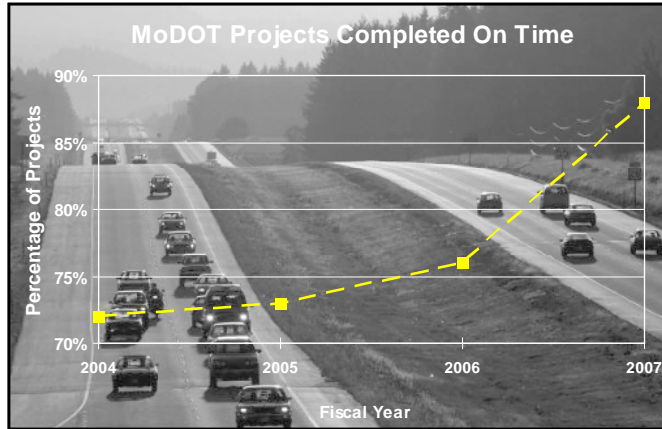
To promote conservation efforts and renewable fuels, Governor Blunt proposes:

- A tax credit for those who purchase E85 gasoline equal to 25 cents per gallon in year one, 20 cents per gallon in years two and three, and 15 cents per gallon in each subsequent year, capped at \$500.
- A tax credit designed to increase the number of Missouri gas stations that offer E85 fuel.
- A state income tax deduction for Missourians who purchase qualified hybrid vehicles.
- An annual Show Me Green tax holiday week, each April, to encourage consumers to purchase ENERGY STAR appliances.

Transportation

Transportation 2008

A good transportation system is vital to the economic strength of Missouri. To reap the economic advantages of its location, the state's roads, bridges, rails, waterways, and aviation facilities must work together to create a cohesive system that transports freight and passengers efficiently, quickly, and safely.



In 2004, voters approved Constitutional Amendment Number 3 to redirect a portion of the Motor Vehicle Sales Tax directly to transportation projects. The additional

funding has enabled the Department of Transportation to accelerate existing projects and begin major construction projects. Fiscal Year 2009 marks the final year of Amendment 3 implementation. The final planned Amendment 3 bond issue will take place in Fiscal Year 2010. The Governor's budget recommendations includes \$483 million for additional investments in Missouri's transportation infrastructure.

FY 2009 Budget Recommended Increases

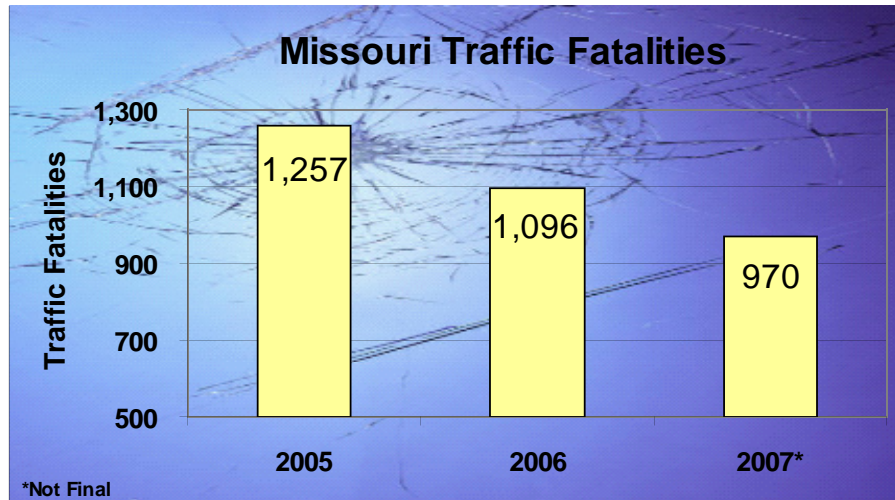
- \$483 million for additional road construction projects
- \$22 million for highway guard cables, reflective striping, and signage
- \$11.9 million for grants aimed at reducing death, injury, and property damage on state highways
- \$1 million to provide transportation services to elderly and disabled Missourians
- \$885,000 to increase the safety of commercial motor vehicles
- \$870,000 for transit grants to non-urbanized areas of the state and small city transit systems
- \$600,000 to maintain daily passenger rail service between St. Louis and Kansas City
- \$500,000 for the Safe Routes to School Program

Highway Safety

Motor vehicle crashes are the leading cause of death in the United States for those age two through 33. More than 1,200 people lost their lives in traffic crashes on Missouri roadways in 2005 and over 66,000 were injured. The economic costs associated with traffic crashes is astounding at more than three billion dollars each year in Missouri. Governor Blunt is committed to reducing the number of injuries and deaths on Missouri roadways. Efforts

Growing Missouri's Economy

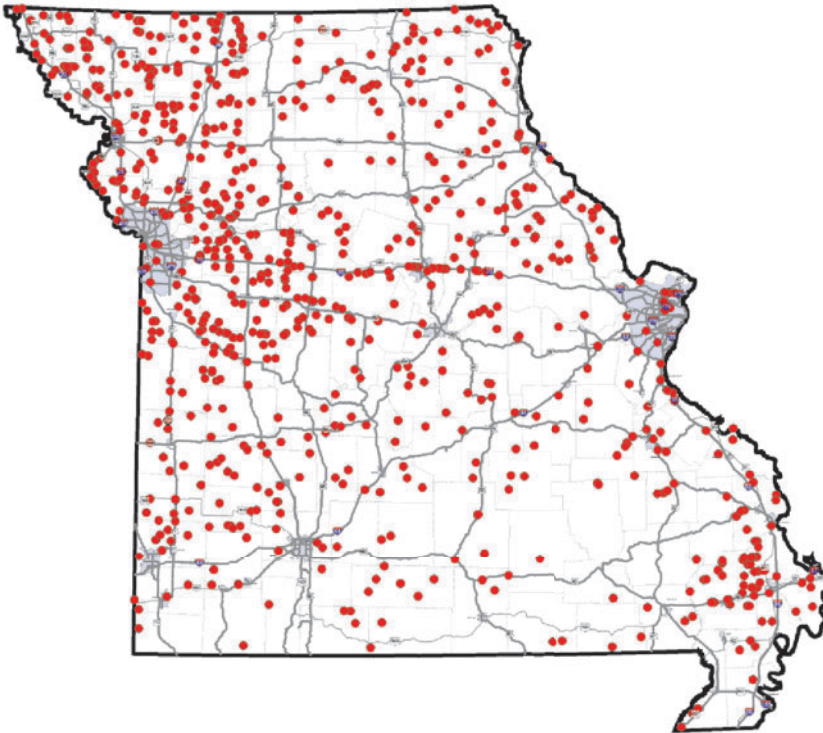
by the Department of Transportation and Highway Patrol to improve roads and safety measures are having a positive impact in reducing the number of traffic deaths on Missouri roads. The federal government recently announced that, in 2006, Missouri had the largest drop in traffic-related fatalities. 2007 marked the second year in a row that traffic fatalities have declined.



"Improving state highways will not just provide Missourians with better driving conditions; it will also save lives and reduce injuries."

-Matt Blunt

Safe and Sound Bridge Locations



Safe and Sound Bridges

Missouri's Safe and Sound Bridge Improvement Program is a national model for replacing and repairing bridges. In 2007, Governor Blunt signed legislation to improve and replace more than 800 Missouri bridges by allowing access to bonds needed for the projects. The bonds will help protect taxpayers by ensuring the work is completed by the contractors who fix and replace the bridges. Without this change, contractors would not have been able to obtain the required bonds, which would have stopped the program from moving forward.

Agriculture

Agriculture 2008

Governor Blunt is committed to making agriculture and rural Missouri a priority by ensuring that state government acts as an innovative, proactive, and effective partner in rural economic development. Missouri's farming operations contribute more than \$5 billion annually to the state's economy. The Governor continues his support for Missouri farm families and future growth in Missouri agriculture.

Alternative Fuels

The Governor is a strong supporter of Missouri farmers and Missouri's renewable fuel industry. Recent increases in gas prices illustrate the need for alternative sources of fuel. Renewable fuels, such as homegrown

biodiesel and ethanol, improve air quality, decrease the nation's dependence on foreign oil, and bolster rural economies.

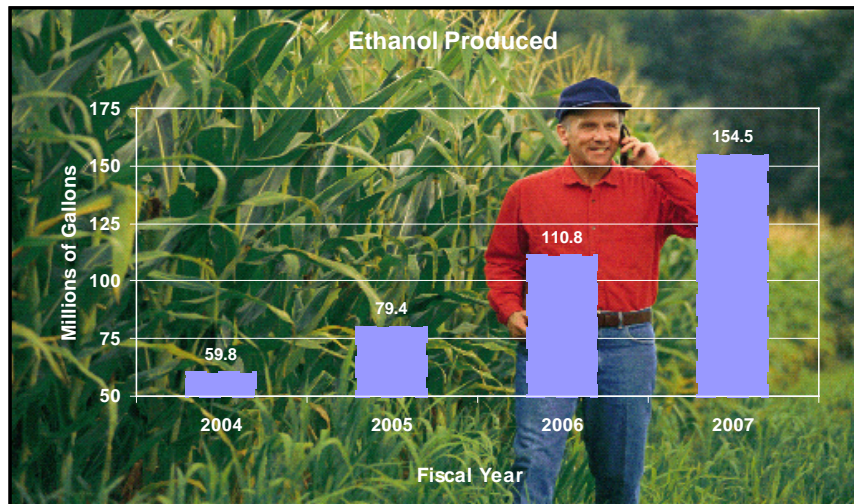
Governor Blunt has promoted policies that have made Missouri a national leader in the production and utilization of renewable fuels. In July 2006, Governor Blunt signed the Missouri Renewable Fuel Standard Act that requires that most gasoline sold in Missouri contain at least ten percent ethanol.

Missouri has five ethanol plants online and nine operational biodiesel plants, with additional plants in various stages of development. The Governor's Fiscal Year 2009 budget recommends an additional \$16.2 million to support ethanol and biodiesel production in Missouri.

Biodiesel Standard

Biodiesel is a clean-burning alternative fuel produced from domestic, renewable resources

such as soybean oil. Biodiesel is the only alternative fuel to have fully completed the health effects testing requirements of the Clean Air Act. It can be used as



"The Renewable Fuel Standard will provide a boost to our state's economy and farm families who have invested many years and many dollars in the development of the alternative fuels industry. Missouri's corn fields have now become the oil fields of the 21st century."

-Matt Blunt

Growing Missouri's Economy

a pure fuel or blended in any percentage with petroleum-based diesel fuel. Missouri utilized about 1.1 billion gallons of diesel fuel in 2005. To advance Missouri's commitment to alternative fuel development and utilization, Governor Blunt supports legislation requiring a standard that all diesel fuel contain five percent biodiesel. Missouri already has the production capacity to support the proposed requirement - the state's biodiesel facilities are expected to produce nearly 200 million gallons per year - more than three times the amount needed under a B5 standard. Passage will make Missouri a leader in setting biodiesel standards; Missouri would become only the fifth state to mandate a biodiesel blend.

Farm Legacy Exchange Program

Because the average producer in Missouri is 60 years old, the agricultural industry needs to implement a means of succession planning. Missouri is one of the few states that does not have a program to link young farmers with older producers who may be looking to phase out of production agriculture. Governor Blunt proposes creating the Farm Legacy Exchange Program to assist producers ready to retire. The Missouri Department of Agriculture will match interested farmers and provide services, including estate planning, legal contacts, and access to all the financial incentive programs administered through the Missouri Agricultural and Small Business Development Authority (MASBDA). The Governor's Fiscal Year 2009 budget includes \$50,000 for this program.

FY 2009 Budget Recommended Increases

- \$15 million for biodiesel production incentives
- \$1.2 million for ethanol production incentives
- \$547,808 for the Large Animal Veterinary Student Loan Program
- \$280,000 to support Missouri's dairy farmers
- \$247,111 to carry out regulatory duties for meat, poultry, and milk plants
- \$192,803 to maintain disease surveillance for Missouri livestock
- \$171,000 for Missouri Branded Beef
- \$50,000 for the Farm Legacy Exchange Program



Dairy Production

Many of Missouri's dairies are older and in need of renovation for producers to grow their herds. Using new technology, producers can retrofit existing buildings to cut their milking time in half. In an effort to assist Missouri dairy farmers to renovate their operations for more efficient milking, the Governor's Fiscal Year 2009 budget includes \$280,000 in grants for planning and dairy parlor renovation.

2008 Legislative Priority Creating Opportunities for Farmer-Owned Businesses

Governor Blunt's 2008 legislative priorities provide additional opportunities for farmer-owned businesses to enhance successful value-added agriculture and boost demand for alternative fuels by:

- Establishing a five percent biodiesel standard for diesel fuel sold in Missouri.
- Increasing the amount of tax credits issued under the Missouri Agricultural and Small Business Development Authority's tax credit programs from \$6 million to \$12 million.

Branded Beef Initiative

The Governor created the Missouri Branded Beef Initiative to ensure beef consumers around the world recognize the quality of Missouri beef. The Governor kicked off the initiative at the 2006 State Fair as an opportunity to help promote the exceptional quality of Missouri beef. Since then, the Missouri Department of Agriculture has met with packers who are interested in processing the Missouri brand and hired a brand manager to assist in marketing. The Governor's Fiscal Year 2009 budget includes an

additional \$171,000 for the initiative, bringing total program funding to \$228,290.



"We must continue to chart a new course for Missouri's beef industry that recognizes the full value of Missouri beef by aggressively marketing the Missouri beef brand. "

-Matt Blunt



A Healthier Missouri

Achievements

Governor Blunt has strengthened the health care system in Missouri with significant proposals to transform the safety net for low-income Missourians and reduce the number of uninsured. The Governor has a proven record of improving health care services.

During his first three years in office he has:

- Transformed the state's failing Medicaid program and replaced it with the vastly improved MO HealthNet Program to focus on health and wellness, not just illness.
- Implemented a Chronic Care Improvement Program for MO HealthNet's highest need participants.
- Established a Health Care Technology Fund.
- Expanded health services to more than 80,000 Missouri women and access to life-saving breast and cervical cancer screenings.
- Drastically reduced waste, fraud, and abuse in the old Medicaid Program.
- Signed legislation allowing Missourians to deduct the cost of their health insurance premiums and increasing the tax deduction for long-term care insurance.
- Passed needed medical malpractice insurance reforms, ensuring qualified doctors remain in Missouri.
- Expanded opportunities for health care coverage to high-risk Missourians and young Missourians just entering the workforce.
- Secured additional funding for Missouri's Federally Qualified Health Centers, Community Health Centers, and Community Mental Health Centers. These centers provide health care services regardless of whether patients have health insurance.
- Created the Healthy Missourians Initiative to address obesity and encourage healthier living.
- Increased pay for providers of in-home services to the elderly.
- Expanded newborn screenings to cover all 29 recommended rare, but serious, health conditions that can lead to mental retardation and death if untreated.
- Secured additional funding for autism screening and treatment.
- Created the Mental Health Transformation Working Group to develop and implement a comprehensive and cooperative state mental health plan.
- Created the Mental Health Task Force to identify recommendations for enhancing state mental health services and safety.
- Enacted recommendations of the Mental Health Task Force to prevent abuse and neglect in the mental health system.
- Secured additional funding to support inspections and ensure safety at long-term care facilities.

Insure Missouri

Insure Missouri 2008

Five million Missourians have health coverage but over 700,000 are yet to be covered. Governor Blunt recognizes that this is among Missourians' top concerns; he is deeply committed to reducing the number of Missourians without health insurance. The Governor has worked with the General Assembly and key stakeholders to make coverage more affordable and better utilize many dollars that are already being spent. Governor Blunt wants to remove obstacles so that more Missourians can afford quality health insurance, offering choice and security for consumers. Much of the problem stems from the difficulty Missourians have in finding affordable coverage. Governor Blunt has worked to increase opportunity for Missourians through the new MO HealthNet and Insure Missouri programs.

FY 2009 Budget Recommended Increases

- \$347.6 million for the new Insure Missouri Program
- \$2.4 million for the Primary Care Resource Initiative Program to repay education loans for health care providers
- \$1 million for Area Health Education Centers to enhance student access to health care careers

Governor Blunt recently unveiled Insure Missouri, an innovative new program that will help Missourians purchase their own personal health insurance. Within five years, it is projected nearly 200,000 Missourians will gain access to health insurance through Insure Missouri. Insure Missouri is a big step in the right direction to expand access to quality and affordable health care for Missouri families. This new health care initiative will directly benefit hard-working Missourians.

Insure Missouri will reduce the number of uninsured by 30 percent by pooling individual, employer, state, and federal resources to help Missourians buy quality and affordable health insurance. This new health care initiative for working Missourians will include appropriate cost-sharing, according to the level of income.

Through Insure Missouri, Missourians will have access to a benefit package similar to the one offered to state employees, including:

- Preventive care.
- Prescription drugs.
- Physician services.
- Hospital and emergency room coverage.
- Mental health services.
- Durable medical equipment.

A Healthier Missouri

	<i>Percent of Federal Poverty Level</i>	<i>Insure Missouri Projected New Lives Covered</i>
Phase 1	Up to 100%	54,531
Phase 2	Above 100% to 185%	107,192
Phase 3	Over 185%	28,064
	Total	189,787

The initiative will be carried out in three phases.

Phase 1

Starting in early 2008, enrollment for insurance plans will be available to working parents and caregivers below 100 percent of the Federal Poverty Level (FPL), or for a family of four making less than \$20,650 per year. This will immediately allow more than 54,000 Missourians to afford quality health insurance.



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Phase 2

In the summer of 2008, the same coverage, if approved by the General Assembly, will be offered to working parents, caregivers, and other adults making below 120 percent of the FPL - \$24,780 for a family of four. The Governor's recommendation for Fiscal Year 2009 is for 120 percent of the FPL. However, his plan is to eventually cover Missourians up to 185 percent, which will cover working parents, caregivers, and other adults - \$38,203 for a family of four. When Phase 2 is fully implemented, coverage will be available to 77,000 more Missourians.

Phase 3

Governor Blunt will work with the General Assembly to develop a plan for coverage that will lower risk and help small employers access the private insurance market - to start in January 2009. This will lead to lower premiums for small businesses and increased access for their employees.

"I am deeply committed to reducing the number of Missourians without health insurance."

-Matt Blunt

One of the ways Governor Blunt is providing access to health care coverage for the state's most vulnerable citizens is through the new MO HealthNet Program. MO HealthNet was enacted in 2007 to replace the failing Medicaid system and improve health care for low-income Missourians by:

- Creating an innovative system to deliver 21st Century health care.
- Promoting prevention, health, and wellness.
- Recognizing the importance of personal attention and a personalized health plan.
- Giving participants the option to choose a "health care home" which will coordinate care.
- Expanding health care to working Missourians with disabilities.
- Expanding care to foster children until they are 21 years of age.
- Allowing more children to be eligible for health coverage under MO HealthNet for kids.
- Embracing technology to improve health care safety and quality.
- Providing additional tools for furthering the fight against fraud and abuse of taxpayer resources.

FY 2009 Budget Recommended Increases

- \$112.8 million to provide select rate increases for providers
- \$73.3 million for recipient pharmacy benefits
- \$52.8 million to provide a rate increase for physicians
- \$26.2 million to provide a rate increase for nursing facilities
- \$24.6 million to provide dental and optical services to all participants
- \$22.8 million to establish a "health care home"
- \$15 million for Health Care Technology Fund initiatives
- \$13 million to provide women's health services to an additional 82,751 low-income women
- \$7 million to provide a rate increase for dental health care providers
- \$4.8 million to provide coverage to 3,700 children

Health Care Technology

Governor Blunt has prioritized the utilization of technology to improve health care. Two years ago, the Governor secured \$25 million for a Health Care Technology Fund



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to pioneer the use of technology and improve health care delivery in Missouri. Governor Blunt's Fiscal Year 2009 budget includes an additional \$15 million for the Health Care Technology Fund to enhance technology in the state's health care programs by:

- Expanding the availability of electronic health records.
- Providing data analysis for chronic care patients.
- Implementing the electronic transmission of prescriptions.

Governor Blunt recognizes that seniors are remaining active long after they reach retirement age. Governor Blunt is committed to improving the quality of life for the elderly in Missouri and ensuring we do not forget the contributions of the past when planning senior programs of the future.

During his first three years in office, Governor Blunt has supported Missouri seniors by:



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- Signing the Senior Tax Justice Act, ending the Social Security cut for tens of thousands of Missouri seniors.
- Expanding the Missouri Rx program for qualifying low-income seniors and Missourians with disabilities.
- Increasing the tax deduction for long-term care insurance in Missouri from 50 to 100 percent.
- Expanding the Circuit Breaker and Missouri Homestead Preservation tax credits for qualified senior citizens and Missourians with disabilities.
- Signing legislation to enhance safety measures in Missouri's long-term care facilities and securing additional staff to inspect these facilities.
- Expanding duties of the Governor's Advisory Council on Aging.
- Securing additional funding to support home care options available to Alzheimer's victims and their families.
- Establishing a committee to develop a single point of entry for state services.

FY 2009 Budget Recommended Increases

- \$25.1 million to provide a rate increase for in-home service providers
- \$1 million for the state's Area Agencies on Aging
- \$420,156 to provide a rate increase for Hospice providers

**Seniors
2008**

2008 Legislative Priority The Elder Justice Act

To protect Missouri seniors from abuse, neglect, or exploitation Governor Blunt supports legislation to:

- Strengthen state abuse, neglect, and exploitation laws to include misappropriation of funds or falsification of service delivery.
- Increase penalties for crimes against the elderly and persons with disabilities.
- Protect families hiring caregivers by expanding the disqualifying convictions screened by the Family Care Safety Registry.

Mental Health

Governor Blunt has pledged to transform Missouri's delivery of treatment and services to enhance safety and improve services and support for Missourians with mental health needs, especially children. The Governor's Fiscal Year 2009 budget again focuses on expanding services for Missourians with autism and providing school-based mental health care.

Mental Health
2008



Autism Treatment

Autism affects a child's ability to effectively communicate and impacts their social skills development. Symptoms range from mild to severe and are four times more likely to affect boys than girls. Autism affects more children than pediatric cancer, diabetes, and AIDS combined; it is the sixth most prevalent disability and the second most common developmental disability in the United

States. One in every 150 people is diagnosed with autism, and new studies are suggesting that it may be even more common.

Fortunately, early diagnosis and intervention for autism are proving to be effective in producing positive gains for children and their families. It is important for parents to have their children screened for autism if there are concerns with their child's development. Research shows that early intervention can result in significant improvements for many young children. We must do more to help effectively treat Missourians living with autism and encourage early diagnosis to help children growing up with the disorder. Last year, the Governor secured \$3.9 million in additional funding for autism screening and treatment. Governor Blunt supports doing more to help support Missourians living with autism. The Governor's Fiscal Year 2009 budget includes \$12.4 million in additional funding to help the growing number of children with autism.

School-Based Mental Health Services

Today's students face a complicated world in their journey of learning and coming of age. Estimates from the Centers for Disease Control indicate that five percent of children between 4 and 17 demonstrate serious mental health problems needing specialized treatment. A child's mental health and academic performance can be seriously threatened by the stresses associated with being bullied, experiencing sexual harassment or predation, changing peer relationships, or family problems at home. Violent tragedies like those at Columbine High School and

elsewhere across the country serve as a grim reminder that some children have special needs that must be identified and addressed early.

FY 2009 Budget Recommended Increases

- \$7.4 million to provide increased rates to community mental health providers
- \$7.4 million to expand autism services
- \$5 million to construct a new building for the Thompson Center for Autism and Neurodevelopmental Disorders at the University of Missouri-Columbia
- \$2.6 million to provide additional school-based mental health services
- \$2 million for additional Department of Mental Health facility staff training
- \$1.4 million to provide treatment and services to dual diagnosis clients being discharged from psychiatric hospitals
- \$1 million for additional collaboration between Community Mental Health Centers and Federally Qualified Health Centers
- \$1 million to provide community care to clients seeking hospitalization for mental health care
- \$578,040 to provide assistance to the homeless with serious mental illness or chronic substance abuse issues
- \$200,000 for crisis intervention training for law enforcement

The School-Based Mental Health Program breaks down barriers between mental health and education, delivering services when and where they are needed, and before the problems become more serious. To help ensure Missouri students receive the assistance they need to stay emotionally healthy and perform well in school, Governor Blunt recommends an additional \$2.5 million for the School-Based Mental Health Program. The increase will fund a two-year partnership between local community mental health centers and school districts, allowing mental health professionals to be located in schools and work side by side with teachers, guidance counselors, and administrators.

"We must protect and care for our children and ensure they have the support and foundation they need to reach their full potential."

-Matt Blunt

Governor Blunt has worked to ensure those who care for Missouri's children have the support to adequately provide safe settings for children and permanent placement for children who cannot return home. The Governor's Fiscal Year 2009 budget includes numerous increases to support abused and neglected children, enhance child care programs, and provide vision exams to school-aged children.

Services for Abused and Neglected Children

Child abuse and neglect are tragic consequences that can result from troubled families. During the previous administration, the state's child welfare system came under fire for not adequately addressing the needs of children in its care. Children facing abuse or neglect deserve to have a trained and dedicated child welfare team intervene on their behalf. Accreditation by the national Council on Accreditation (COA) is designed to facilitate organizational improvement. Achieving the status of accreditation demonstrates that the entire organization has met the high standards of quality COA has set. Governor Blunt is committed to completing the accreditation process for Missouri's Children's Division. His Fiscal Year 2009 budget includes \$3.7 million to provide services that should make statewide accreditation a reality for the first time in Missouri history.

Over one-third of the children removed from homes and placed in state custody come from families in which one or more parents abused alcohol or other drugs. Timely substance abuse treatment for parents reduces the need for out-of-home placements. The Governor's budget includes funding to establish a formal collaboration between the Division of Alcohol and Drug Abuse's CSTAR (Comprehensive Substance Abuse Treatment and Rehabilitation) Program and the Children's Division to reduce out-of-home placements caused by parental drug addiction.

FY 2009 Budget Recommended Increases

- \$6.4 million to provide quality child care for low-income children
- \$3.7 million to achieve national accreditation for the Children's Division
- \$3 million to provide a rate increase for providers of residential care for children in the state's custody
- \$2.3 million to provide substance abuse treatment for families at risk of entering the child protective services system
- \$2.1 million to ensure full access to child care benefits
- \$2.1 million to provide vision exams for school-aged children
- \$2 million for a child care rate adjustment
- \$1.3 million to provide a rate increase for foster parents
- \$1.2 million to provide a rate increase for adoptive parents of abused and neglected children

Governor Blunt has strengthened the network of providers that care for children committed to the state's care and custody and worked to close the gap between the cost of care and reimbursements provided by the state. The Governor's budget includes \$5.5 million to provide rate increases for foster care parents, residential treatment providers, and adoptive families.

Child Care

Affordable, quality child care is vital to parents' ability to remain in the workforce and ensure children will be successful in school. Currently, a small - even one dollar - increase in a parent's income can result in the loss of their child care assistance. Dependent families often stay in lower paying jobs so they will not lose their child care benefit. To address this problem, Governor Blunt is calling for the creation of a transitional benefit to help families pay for a percentage of child care costs, depending on their income, and encourage working parents to pursue higher paying, family-supporting jobs. The Governor's budget includes more than \$11.5 million to support child care by:

- Increasing provider reimbursement rates that help reduce costs for Missouri families.
- Ensuring access to full child care benefits for families up to 127 percent of the Federal Poverty Level (FPL). When the Governor took office the state was at 112 percent of FPL.
- Funding a transitional child care benefit for families between 127 and 150 percent of FPL, to support an additional 2,850 children.
- Expanding Early Head Start services to approximately 100 children under 100 percent of FPL.



Vision Exams

Success in school can be hampered by visual impairments not found in a timely manner. Legislation signed by Governor Blunt in 2007 requires comprehensive eye examinations for children entering kindergarten or first grade, and also requires vision screenings for students beginning first and third grades. The Governor's Fiscal Year 2009 budget includes \$2.1 million to help pay for these important screenings.

Health & Wellness

Governor Blunt is a proponent for creating healthy lifestyles. The Governor's Healthy Missourians Initiative calls for better nutrition and increased physical activity. The plan outlines a number of actions to address Missouri's obesity problem and encourage a healthier lifestyle for people of all ages. The Governor has also been an advocate for tobacco cessation and women's health issues. Governor Blunt's Fiscal Year 2009 budget includes increases to improve the health and wellness of Missourians.

Healthy Women

Too many women suffer from debilitating and often fatal cases of breast or cervical cancer. Missouri's Show Me Healthy Women Program provides services to uninsured, low-income women through the National Early Breast and Cervical Cancer Control Project. It also

provides access to health screenings and lifestyle education that can reduce the risk of heart disease and stroke. The Governor's budget includes a \$500,000 increase for this program, bringing total funding to \$3.3 million. Additionally, Governor Blunt

is recommending \$13 million to provide women's health services to an additional 82,751 low-income women.

FY 2009 Budget Recommended Increases

- \$8.6 million to provide tobacco cessation services for MO HealthNet participants
- \$3 million to fund the state's tobacco toll-free quit line and youth prevention programs
- \$2.6 million to provide public health services around the state
- \$500,000 for the Show Me Healthy Women Program

Tobacco Cessation

Governor Blunt understands Missouri must do a better job preventing youth smoking and providing cessation programs to adults who are addicted to tobacco. Missourians are dying due to tobacco-related diseases at a rate greater than one death per hour. More than 23 percent of both Missouri adults and high school students smoke. The Governor's Fiscal Year 2009 budget includes \$11.6

million to address the dangerous health consequences of smoking.





Ensuring a Safe Missouri

Achievements

Every Missourian deserves to feel safe in their own home, school, community, and place of work. Governor Blunt is committed to reducing crime by fighting illegal immigration, strengthening sex offender laws, decreasing the production of methamphetamine, and making sure Missouri is prepared for disasters and emergencies. During his first three years in office, Governor Blunt has implemented tough laws to take criminals off the streets and has given law enforcement additional tools to keep Missouri communities safe by:

- Leading the state's response to ten federally declared disasters.
- Implementing procedures to enable state agencies and law enforcement to identify illegal immigrants and turn them over to Immigration and Customs Enforcement.
- Enacting landmark legislation to reduce the production and use of meth.
- Improving the state's response to natural disasters, and preparing state agencies for better response during an emergency.
- Enacting tough penalties to protect Missouri children from sexual predators.
- Making Missouri one of the first states in the country to mandate lifetime GPS monitoring for sex offenders.
- Providing \$35.7 million in increased funding to support law enforcement personnel.
- Initiating construction of a new women's prison in Chillicothe.
- Enacting harsher penalties for drunk drivers.
- Entering into the AMBER Alert Web Portal network to help ensure the safety and rescue of missing children.
- Promoting the INOBTR (I Know Better) Campaign to provide information about online predators.
- Establishing a Statewide Interoperable Communication Committee to develop a statewide communications strategic plan.
- Securing \$9.4 million to keep dangerous sex offenders in state custody.
- Providing \$5.1 million for Community Supervision Centers to more effectively manage offenders and provide an alternative to incarceration.
- Creating the Missouri Homeland Security Advisory Council to coordinate security efforts at the state and local level.
- Instituting the Missouri Alert Network to enhance school safety.



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"During my administration we will not only say that we are tough on crime - we will be tough on crime."

-Matt Blunt

Fighting Illegal Immigration

Missouri will not tolerate illegal activity. Governor Blunt supports and welcomes lawful immigrants to the United States. However, the growing problem of illegal immigration is taking a toll on the economy and is negatively impacting public safety. Governor Blunt is not waiting for Washington to address the problems associated with illegal immigration in Missouri. The Governor's efforts have received national attention. During 2008, he proposes changes to state law to intensify the state's fight against illegal activity.

Actions Already Taken to Address Illegal Immigration

Over the past 16 months, Governor Blunt has taken action to ensure tax dollars are not funding illegal immigration and to enforce all laws currently on the books, including:

- Visiting Missouri National Guard Troops involved in federal border security in Arizona to thank them for their service and learn more about their mission.
- Directing state agencies to implement a new hiring procedure to verify employees' identity and citizenship. A federally supported online system will allow agencies to verify information provided by employees at no cost.
- Ousting a state contractor who hired illegal workers and barring the vendor from doing further state business.
- Ordering state agencies to enact a no-tolerance policy through tough new contract protections.
- Requiring state agencies to audit all contractors to ensure employees are legally eligible to work in the U.S.
- Mandating that future state contracts include a provision to cancel the contract immediately, with no penalty, if the state has reasonable cause to believe the contractor has knowingly employed illegal workers.
- Requiring every contractor who does business with the state to certify that their employees are eligible to work in the U.S.
- Directing state law enforcement agencies to immediately take steps to verify the immigration status of every criminal presented for incarceration.
- Requesting an agreement with federal officials to deputize state law enforcement officers to enforce federal laws and protect against illegal immigration.
- Directing state agencies to ensure state-supported building projects are not employing illegal workers.
- Calling on the Missouri Housing Development Commission to consider penalties, including a lifetime ban, for contractors who knowingly employ illegal immigrants. The Commission has taken action on this recommendation.

FY 2009 Budget Recommended Increases

- \$327,819 for a new immigration enforcement team at the Highway Patrol to work with ICE
- \$253,050 for state law enforcement officer immigration and customs training

Ensuring a Safe Missouri

New Initiatives

Between August 27 and December 31, 2007, 131 illegal immigrants were identified and turned over to ICE for deportation. Governor Blunt continues to press for additional tools to identify and deport illegal immigrants from the state. Although existing safeguards within the driver's license approval process help prevent illegal aliens from receiving a Missouri license, it is not specifically prohibited by state law. Governor Blunt supports legislation to make it illegal to issue driver's licenses to illegal immigrants, and add penalties for those who help illegal immigrants obtain driver's licenses.

Around the country, there are some communities that have adopted policies limiting the ability of local officials from communicating with the federal government about potential immigration violations. Although there are no known communities in Missouri, the Governor supports a proactive ban against the creation of "sanctuary cities" in the state.

"We will make every effort, implement every tool, and take every step to ensure the laws against illegal immigration are enforced."

-Matt Blunt

Governor Blunt has put in place measures to verify state government employees are working legally. To ensure tax dollars do not support illegal labor, the Governor calls for the same checks to be required for every public employer in the state. The new law will apply to counties, cities, school districts, and other public entities.

Currently, any state contractor found to employ illegal labor loses their contract and becomes ineligible to receive future contracts. However, in most cases the state cannot withhold funds for already completed work. The Governor supports legislation to allow the state to withhold 25 percent of compensation owed to any contractor found to be using illegal labor.

2008 Legislative Initiative Fighting Illegal Immigration

Governor Blunt is advocating for the following changes to Missouri statute:

- Adding legal penalties for illegal immigrants who obtain a driver's license and those who help them do so.
- Prohibiting sanctuary cities.
- Allowing greater contract penalties against businesses found to employ illegal immigrants.
- Requiring e-verify for public employers.
- Creating the crime of transporting illegal immigrants for illegal purposes.

Unfortunately, there are individuals who make money from transporting illegal immigrants to, or through, Missouri. This is not against state law. The Governor proposes a new law to criminalize the transportation of illegal immigrants for purposes of human trafficking, drug trafficking, prostitution, or illegal labor.

Stopping Sex Offenders

Stopping Sex Offenders 2008

Governor Blunt is doing everything he can to protect Missouri citizens from sex offenders. No matter what the program, no matter what the punishment, statistics show these criminals are likely to re-offend. Sex offenders given too much liberty continue to repeat their heinous crimes and destroy the lives of more children. Governor Blunt has a responsibility to our children to keep sex offenders off the streets and behind bars. His leadership ensured Missouri has one of the toughest versions of Jessica's Law in the nation to protect children from dangerous sexual predators.

FY 2009 Budget Recommended Increases

- \$1.5 million to operate a new treatment unit to confine sexual offenders
- \$250,000 for additional grants to cyber crime task forces across the state
- \$143,300 for the Highway Patrol to establish an automated e-mail notification system to alert citizens when a registered sex offender moves into their neighborhood

Cyber Crimes Task Forces

Multi-jurisdictional Internet Cyber Crimes Task Forces and the Cyber Crime Grant Program, created in 2006 when the Governor signed Jessica's Law, distribute funding to support salaries, training, and computer forensic personnel who focus on preventing and controlling Internet cyber crime. The program assists law enforcement in investigating dangerous Internet crimes, especially sex crimes exploiting children. The Governor's Fiscal Year 2009 budget includes \$250,000 in additional funding for these groups, bringing total funding to \$1.5 million.

2008 Legislative Initiative Strengthening Sex Offender Laws

Governor Blunt supports several new provisions to more severely punish sex offenders and make it harder for convicted offenders to prey on others again, including:

- Making forcible rape and forcible sodomy against a child younger than 12 a crime for which the death penalty may be sought.
- Creating the crime of Age Misrepresentation with Intent to Solicit a Minor. The penalty will be a class D felony - punishable by up to four years in prison, with even stronger penalties for repeat offenders.
- Requiring sex offenders to register e-mail addresses and other online identifiers to cross reference them with Internet site users and make them available to the public.

Governor Blunt is committed to making sure law enforcement officers have the tools they need to fight meth in Missouri communities. In his first year in office, he signed landmark legislation making it far more difficult to purchase materials needed for manufacturing meth and creating a paper trail for law enforcement to investigate potential abuse. Under the Governor's leadership, the Highway Patrol recently reported that meth incidents in the state have declined by 40 percent since 2005.



FY 2009 Budget Recommended Increases

- \$3 million for the Springfield and Jasper County crime labs
- \$2 million to continue Justice Assistance Grants for local crime prevention efforts
- \$1.1 million for a drug monitoring system to track controlled substance purchases

MoSMART

Federal funding has supported the Missouri Sheriff's Methamphetamine Relief Team (MoSMART) since 2000. The program provides personnel, training, and equipment for law enforcement to fight meth production and use at the local level. Recently, federal funding for this successful program was eliminated by Congress. Governor Blunt has announced \$1.8 million to continue MoSMART in the current fiscal year. This support will provide vital resources to drug task forces and sheriffs' departments throughout Missouri, and ensure 48 sheriffs' office and drug task force employees involved in anti-meth efforts will not be eliminated.

2008 Legislative Initiative Fighting Meth Production and Use

To continue the fight against meth, Governor Blunt supports the creation of an electronic system to track and monitor the information already required when purchasing ephedrine and pseudoephedrine. This will allow law enforcement to react, in real time, to purchases that are suspicious or over the legal limit.

Responding to Emergencies

Responding to Emergencies 2008

Missourians deserve the reassurance that their leaders are prepared to respond quickly and efficiently to any and all disasters. Missouri recently achieved accreditation through the National Emergency Management Association's Emergency Management Accreditation Program, one of only 16 states to earn this prestigious recognition. Missouri was also recognized for the state's achievements in public health preparedness by the Trust for America's Health. In his first three years in office, the Governor has made emergency preparedness a priority by:

- Managing a record number of severe weather events and working with local officials and service organizations to respond to those in need.
- Establishing the Office of Homeland Security in the Department of Public Safety.
- Creating a Homeland Security Advisory Council and Regional Homeland Security Oversight Committees (RHSOCs).
- Establishing an agro-terrorism plan.
- Conducting exercises to improve response to a catastrophic earthquake.
- Assisting schools, colleges, and communities to participate in national grant programs to help construct tornado safe rooms.
- Appointing a Campus Security Task Force to evaluate campus emergency response plans and improve communications between schools and public safety communities.
- Purchasing needed antiviral drugs for use during an influenza pandemic.

Interoperable Communications

During crisis situations, the ability to communicate in real time and across jurisdictions is critical. In 2006, Governor Blunt created a Statewide Interoperable Communication Committee to develop a communications strategic plan. The Governor's goal is to put in place a system allowing public safety responders to share

"Emergency preparedness has been a high priority of my administration and we have taken enormous steps to help prepare our state for any potential bioterrorist attack, health epidemic, public health emergency, or natural disaster."

-Matt Blunt

FY 2009 Budget Recommended Increases

- \$20.9 million to enhance communication systems between state and local law enforcement and emergency responders
- \$9 million to begin implementation of a statewide interoperable communications infrastructure
- \$2 million for a remote data center to maintain critical state functions
- \$1.2 million for additional security measures at the State Capitol
- \$1 million to provide equipment and resources to Homeland Security response teams
- \$100,000 to train local firefighters and emergency responders

information more effectively during day-to-day operations and major emergency situations, while maximizing resources. The Governor's Fiscal Year 2009 budget includes an additional \$29.9 million to implement this important statewide system.



Standing Up for Missouri Values

Achievements

Governor Blunt has stood up for Missouri values - respect the sanctity of life, honor those who have served and are serving our country, protect Second Amendment rights, and support faith-based and community organizations. Over the past three years, Governor Blunt has expanded support for Missouri values.

As the first pro-life governor in over a decade, Governor Blunt has protected innocent life by:

- Strengthening Missouri's parental consent law and enacting important safeguards to protect women's health.
- Signing legislation to make the Alternatives to Abortion Program permanent, prohibit abortion providers from teaching in Missouri classrooms, and amend the definition of ambulatory surgical centers to include abortion providers.
- Obtaining \$369,512 in additional funding for the Alternatives to Abortion Program.

Governor Blunt has shown his commitment to Missouri's veterans by:

- Providing \$11.9 million in increased funding for veterans' homes around the state and bringing occupancy rates to 97 percent.
- Establishing the Governor's Advisory Council for Veterans' Affairs.
- Signing the Stolen Valor Act into law, making it illegal for a person to misrepresent themselves as a veteran or medal recipient.
- Enacting the "Specialist Edward Lee Myers' Law" to protect families from funeral protests.
- Establishing the Guard at Home Program and the Missouri Military Family Relief Fund.
- Enacting a Vietnam War Medallion Program.

Since taking office, the Governor has supported the right to keep and bear arms by:

- Enacting the Castle Doctrine, protecting Missourians' right to defend themselves, their families, and their homes.
- Establishing the Hunting Heritage Protection Areas Act.
- Repealing the statute permitting certain cities to prohibit and punish those carrying a concealed weapon.
- Ensuring law-abiding Missourians maintain their Second Amendment freedom to possess firearms in the event of a natural disaster, a time when they may need firearms most.

Governor Blunt has highlighted the work of faith-based and community organizations by:

- Signing the Faith-Based Organization Liaison Act.
- Establishing the Government, Faith-based and Community Partnership.
- Initiating Show-Me Solutions to showcase the work of local programs and agencies.

Protecting the Sanctity of Life

As the first pro-life Governor in more than a decade, Governor Blunt has worked to defend the sanctity of human life. Each year of his administration, the Governor has advanced a culture that respects human life and values the health and welfare of young women.

2005

In 2005, the Governor enacted his priority legislation that:

- Strengthens Missouri's parental consent law.
- Enacts important safeguards to protect women's health by requiring physicians who perform abortions to have hospital privileges within 30 miles of the clinic where they perform abortions.
- Ensures individuals cannot facilitate a minor's access to an out-of-state abortion clinic without parental consent.

2006

In 2006, Governor Blunt supported and signed into law a tax credit program for donations to pregnancy resource centers. Pregnancy resource centers provide assistance, support, and an opportunity to choose life for women facing an unplanned pregnancy. The Governor also secured \$169,512 for alternatives to abortion services.



2007

In 2007, the Governor signed strong pro-life legislation that:

- Establishes the Missouri Alternatives to Abortion Public Awareness Program to provide services and counseling to pregnant women.
- Prohibits abortion providers from teaching in Missouri classrooms. The bill gives school districts the option to provide abstinence-only education.
- Amends the definition of ambulatory surgical centers to include any entities operated for the purpose of performing or inducing abortions.
- Increases funding for alternatives to abortion services by \$200,000.
- Excludes use of the State's Legal Expense Fund for physicians who perform abortions.

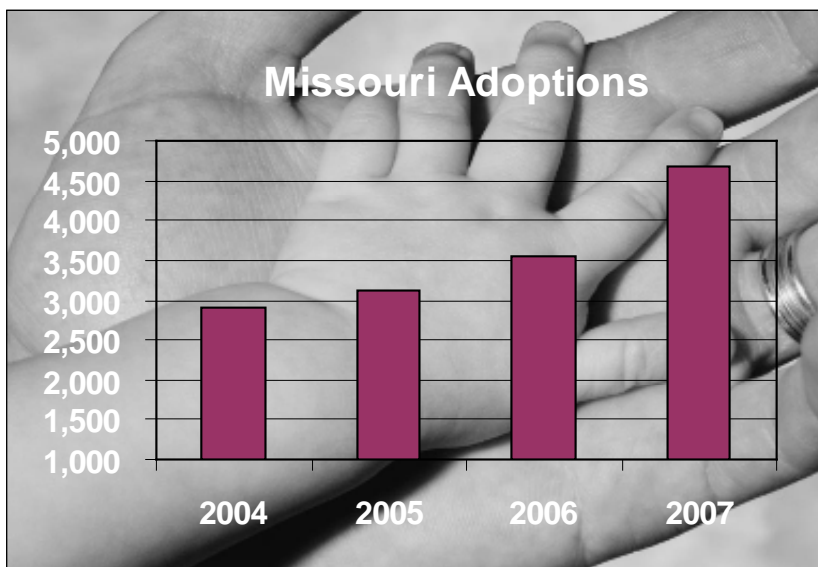
Standing Up for Missouri Values

Alternatives to Abortion

The Alternatives to Abortion Program offers counseling and services to pregnant women, supporting them in carrying their unborn child to term. Services include: adoption assistance, prenatal care, medical and mental health care, parenting skills, drug and alcohol testing and treatment, child care, job training and placement, domestic abuse protection, and transportation. Services are available for one year after the child's birth.

FY 2009 Budget Recommended Increase

- \$250,000 for the Alternatives to Abortion Program - these funds will provide services to an additional 208 pregnant women



In 2007, Governor Blunt signed legislation making the Alternatives to Abortion Program permanent. Since taking office he has supported increases to the program of \$369,512 and guaranteed ongoing state funding. Governor Blunt's Fiscal Year 2009 budget recommendations include an additional \$250,000 for this successful program, bringing total funding to \$2 million.

2008 Legislative Priority Enhanced Consent

To continue advances made to respect every Missouri life, Governor Blunt supports enhanced consent legislation that will:

- Offer the mother the opportunity to have an ultrasound performed before she has an abortion.
- Inform the expectant mother of all available options to choose life.

"I am proud to join with pro-life Missourians to support a culture that promotes the dignity of human life."

-Matt Blunt

Veterans

Veterans 2008

No group of Missourians is more deserving of gratitude, respect, and praise than those who have worn the nation's service uniform. Many of Missouri's 545,000 veterans have devoted their most productive years to the service of our nation so that the freedom and democracy we enjoy can be maintained for posterity. Governor Blunt recognizes the extraordinary sacrifices made by these exceptional men and women. He is an advocate for Missouri's active duty military personnel, veterans, and military retirees.

Missouri Military Family Relief Fund

The Missouri Military Family Relief Fund was established by legislation in 2005, creating a tax contribution check-off. The fund provides grants to families of service men and women. In support of the fund, Governor Blunt's budget includes an additional \$100,000.

Medallion Awards

It is an honor and a privilege to show our appreciation for the service and sacrifice of the brave men and women who fought to defend America's freedom. The state has a recognition program to present special medallions to World War II and Korean Conflict veterans. To honor the sacrifices



FY 2009 Budget Recommended Increases

- \$4.5 million for capital improvements at veterans' homes
- \$2.5 million for veterans' mental health services and homeless assistance
- \$966,170 for pharmaceutical costs at veterans' homes
- \$399,900 for pay increases in critical care veterans' home positions
- \$362,653 for the new veterans' cemetery in Ft. Leonard Wood
- \$250,000 for additional Veterans Service Organization Grants
- \$100,000 for the Missouri Military Relief Fund
- \$50,000 for Operation Outreach
- \$40,555 for an additional Veterans' Service Officer

of Missouri's Vietnam veterans, Governor Blunt created the Vietnam War Medallion Program in 2006. The Governor's Fiscal Year 2009 budget continues \$625,000 in funding to present these awards.

Veterans' Service Officers

The Veterans' Service Officer Program provides assistance to help veterans access benefits to which they are entitled. During the

Standing Up for Missouri Values

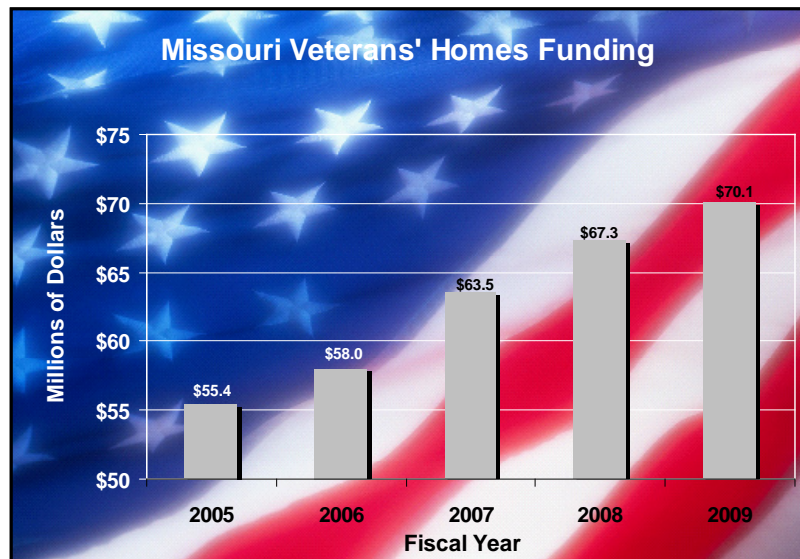
past three years, the Governor secured funding for an additional seven officers. The Governor's Fiscal Year 2009 budget includes funding for additional staff to assist female Missouri veterans, bringing total program funding to \$2.6 million.

Mental Health Care for Veterans in Need

An estimated 50,000 Missouri men and women have been deployed to Iraq and Afghanistan and one in three will face a mental health issue. Unfortunately, the federal government's resources have been insufficient to serve all veterans in need. The Governor's Fiscal Year 2009 budget includes \$2.5 million to assist returning veterans and their families who need information and access to mental health services, along with support services for homeless veterans.

Veterans' Homes

The Missouri Veterans Commission operates seven homes around the state that provide long-term care to approximately 1,350 veterans. Over the past three years, Governor Blunt has provided \$11.9 million in additional funding for these facilities. To continue providing quality care, the Governor recommends an additional \$2.8 million for veterans' homes, bringing total Fiscal Year 2009 funding to \$70.1 million.



2008 Legislative Priority Additional Support for Missouri's Heroes

Governor Blunt proposes several new initiatives to support veterans and active military personnel and their families. The Governor's proposals for the 2008 legislative session will:

- End the tax on military pensions, granting veterans a full and immediate exemption rather than phasing it in over six years as originally approved last year in House Bill 444.
- Increase participation in the Heroes at Home Program and remove the misconception that it is only for Guard members. The program benefits all branches of active duty personnel, members of the reserves, and the National Guard.
- Authorize Missouri's participation in the Interstate Compact on Educational Opportunity for Military Children.

Faith-Based Initiatives

Faith-Based Initiatives 2008

Governor Blunt has worked to expand support for the state's faith-based and community organizations. These organizations provide services at the local level that transform lives and empower people. Local programs know best the needs of their community and people. Since taking office the Governor has:

- Signed the Faith-Based Organization Liaison Act, requiring the state's Department of Social Services to designate employees to serve as regional liaisons to faith-based organizations.
- Established the Government, Faith-based and Community Partnership to work with the State Emergency Management Agency and coordinate human services functions in natural disasters and terrorist events.
- Highlighted the work of charitable organizations through the Show-Me Solutions initiative.
- Participated in faith-based activities across the state.



Building on the Faith-Based Organization Liaison Act, the Governor announced a new, Faith-Based

Missouri initiative in September 2007. Faith-Based Missouri will:

- Increase cooperation between all state government departments, and faith and community-based groups in providing services to Missourians in need.
- Establish a five-person team to improve relations between state government and religious and secular charities.
- Find new ways to partner with religious charities.

"Across the state, Missourians have seen many and varied needs in their communities, and Missourians have reached out to meet those needs with compassion, ingenuity, and generosity. If we really desire effective government, we must engage these well-springs of charity, virtue, and shared prosperity."

-Matt Blunt



Making Government Accountable

Achievements

Governor Blunt made a commitment that Missouri government would become more efficient, more transparent, improve customer service, and be a good steward of taxpayer dollars. During his first three years in office, Governor Blunt has reduced the size of state government and put in place common sense practices, saving Missourians more than \$167 million. The Governor has also strengthened the state's efforts to protect consumers. During the upcoming year, he will continue to identify additional savings for the state, provide tax relief, protect consumers, and adequately compensate state employees. Since 2005, the Governor has:

- Conducted a thorough review of state government, the first in three decades.
- Turned an inherited \$1.1 billion deficit into two consecutive fiscal years with surpluses.
- Kept his promise to decrease the size of the state workforce to the lowest in more than a decade, while improving customer service.
- Achieved savings through responsible debt management. Missouri is one of only six states to receive a "Triple A" bond rating from the major rating firms.
- Consolidated state Information Technology services, saving more than \$14 million annually.
- Eliminated the state's Washington D.C. office.
- Consolidated facilities management functions of the executive branch, producing savings in energy costs and maintenance operations.
- Implemented new fleet management initiatives.
- Privatized janitorial and security services for state office space.
- Instituted a statewide inventory and assessment of state real estate holdings, resulting in excess property being sold.
- Executed the State of Missouri's first Energy Performance Contract.
- Combined the Office of Administration's facilities management and construction oversight divisions.
- Streamlined the departments of Economic Development, Insurance, Revenue, Natural Resources, Social Services, and Health and Senior Services.
- Merged in-home services provided to elderly and disabled clients by three departments into the Department of Health and Senior Services.
- Eliminated unnecessary leases of state office space around the state.
- Signed the Fairness in Public Construction Act to ensure oversight of taxpayer funded construction projects.
- Implemented a standardized, automated system of performance evaluations that will hold state managers, supervisors, and employees accountable for continually reaching for the highest levels of performance.
- Significantly reduced waste, fraud, and abuse in the failing Medicaid Program, while creating a new, more responsible program that serves Missourians better.

Providing Tax Relief

Governor Blunt is a champion of lower taxes for Missourians. He has succeeded in balancing the state's budget while also enacting tax cuts for Missourians. During the first three years of his administration, Governor Blunt has:

- Signed the Senior Tax Justice Act, ending the tax on Social Security benefits for tens of thousands of Missouri seniors.
- Enacted legislation granting a tax exemption to Missouri manufacturers for rising energy costs, the first relief for existing Missouri employers in more than 30 years.
- Called on the State Tax Commission to stop a proposed assessment increase that would have increased property taxes on Missouri farmers. The Commission eventually voted down the proposal.
- Signed legislation allowing Missourians to deduct the cost of their health insurance premiums and increasing the tax deduction for long-term care insurance.

The power to tax is reserved for the people and their elected representatives. Activist judges with an agenda to raise taxes must be barred from trying to seize a power they do not possess. Governor Blunt supports a constitutional amendment for Missourians to affirm this separation of powers.

Missouri families are being hard pressed by rising property tax bills. Property tax rates are set by local bodies and local elected officials. However, Governor Blunt believes there are actions that can be taken at the state level to ensure greater transparency and limit the ability of local governments to increase property taxes. The Governor's legislative package includes principles to address property tax issues.

2008 Legislative Priority Protecting Missourians from Tax Increases

To provide additional assurances that Missouri citizens will not be subject to additional tax burdens, Governor Blunt supports legislation to:

- Grant a tax exemption for military pensions immediately, rather than phasing it in over six years as originally approved last year.
- Prohibit unelected judges from levying or imposing new or increased taxes, licenses, or fees without legislative or voter approval.
- Ensure reciprocity with neighboring states that allow Missouri residents to take the same tax deductions.
- Reform local property tax in Missouri by:
 - Ensuring taxpayers have information about the source of local property tax increases - either property assessments or levies.
 - Requiring taxpayers to be notified of their estimated taxes earlier in the year.
 - Ending back door property tax increases by closing loopholes in the state's property tax laws.

Protecting Consumers

An important function of state government is to protect its citizens from acts of fraud, deception, or unfair business practices in the marketplace. To that end, the State of Missouri licenses and regulates many industries, products, and professional services. During Governor Blunt's first three years, he has:

- Reorganized the Department of Insurance, Financial Institutions and Professional Registration, creating one state department centered around consumer protection issues.
- Established an Insurance Advisory Panel to advise the state on needs of consumers and public markets.
- Signed a cable franchise law to prevent monopolies and decrease costs.
- Provided Internet access to information about health care associated infections.
- Signed legislation to regulate service contracts, protecting consumers from fraudulent product service contracts and extended warranties.

2008 Legislative Priority Protecting Missouri Homeowners

Governor Blunt proposes greater enforcement and protection in Missouri's banking and mortgage markets by:

- Granting greater authority to the Real Estate Commission, the Appraisers Commission, and the Director of Professional Registration to issue cease and desist orders for misconduct related to mortgage fraud.
- Defining mortgage fraud more specifically, which will provide state prosecutors equivalent standing with federal prosecutors and allow the state's Division of Finance to act swiftly to discipline mortgage brokers for misconduct related to mortgage fraud.
- Authorizing emergency banking powers during state emergencies so essential financial services can be restored quickly.

The Governor continues to work on behalf of consumers. Recently, homeowners nationwide have been negatively impacted by sub-prime lending practices. In recent years, many loans presented substantial risks to both consumers and providers. If homeowners were not adequately informed of the product features, borrowers run the risk of being unable to afford the monthly payments after the initial rate adjustment.

In the aftermath of Hurricane Katrina, citizens had no access to funds because of the lack of emergency banking laws.

**Protecting Consumers
2008**

Governor Blunt supports legislation to address these mortgage and banking consumer issues in 2008.

"No Missourian should ever be a victim to the devastating impacts of fraud."

-Matt Blunt

Responsible Stewardship

Responsible Stewardship 2008

Missourians expect their elected leaders to manage state government efficiently and effectively. Governor Blunt has ensured that government is less burdensome, more effective, and more accountable, while being accessible. Over the next year, he will continue to make government more efficient, use new technologies to increase productivity and accountability, provide better customer service, and adequately compensate state employees.

Capital for a Day

As part of his ongoing effort to make state government more responsive and accessible for citizens, Governor Blunt has proclaimed two communities, Sedalia and Liberty, as

Missouri's *Capital for a Day*. The *Capital for a Day* initiative gives Missourians the opportunity for one-on-one, personalized government service. The Governor and his senior staff assist with constituent services and meet with Missourians. Additional communities will be visited in 2008 so the Governor can meet directly with citizens to ensure state government is effectively serving the people.



FY 2009 Budget Recommended Increases

- \$78.9 million for a three percent cost-of-living adjustment for all state employees
- \$25.8 million to recognize the liability of future retiree health care costs
- \$17.8 million to continue to provide the state's share for health insurance coverage for state employees
- \$6.9 million to improve recruitment and retention in certain critical job classes

Shining Light on Tax Fraud

While the vast majority of Missouri businesses follow the letter of the law, each year there are Missouri businesses that keep sales tax collected from customers or fail to submit income tax withheld from employees. This unlawful practice by bad actors cheats Missouri consumers and prevents state and local governments from providing vital services. To identify these businesses, Governor Blunt launched an Internet site that lists businesses that have failed to comply with state tax law. It lets users search for revoked businesses by tax number and business name, or users can request all revoked businesses within a certain city or county.

www.whoisnotpaying.mo.gov

Making Government Accountable

Missouri Accountability Portal

Governor Blunt believes state government should be accountable for every taxpayer dollar spent. In July 2007, Governor Blunt announced the development of the Missouri Accountability Portal (MAP). MAP takes advantage of emerging technologies to improve state services and provide Missourians with free, on-line information about how the state spends money. It is one of the first comprehensive searchable databases of financial records based on real-time data in the nation. It was built with existing state resources and updates information at the close of each business day. The site has received 2.5 million hits in less than a year. Users can search MAP to access:

- Expenditures by budget category, vendor, or contract.
- Tax credits.
- State employees' salaries.

<http://mapyourtaxes.mo.gov>



Consolidation of Government Operations

Missouri state government has 16 departments, all of which provide their own administrative support. Governor Blunt identified several areas where it

is more efficient to operate centrally and eliminate duplicative staff and services among multiple state agencies. Over the past three years he has consolidated Information Technology services, fleet management, utility payments, facilities maintenance, and printing operations. Last year he announced plans for a phased-in consolidation of mail services. Administrative expenses and staffing levels were reduced by over one-third through this effort. The Governor's Fiscal Year 2009 budget includes further reductions of 13 staff and \$238,450, to reflect ongoing savings.

State Employee Compensation

Missouri's state employees have improved efficiency and productivity, and have done more with less. Governor Blunt recognizes the contributions of the state's workforce. The Governor's Fiscal Year 2009 budget includes additional funding to:

- Provide a three percent pay raise for all state employees. Employees received a four percent increase in Fiscal Year 2007 and a three percent increase in Fiscal Year 2008.
- Increase salaries to improve recruitment and retention in certain critical job classes, such as those working in high-risk facilities and in health-related classifications.
- Maintain the state's share of health insurance coverage for state employees.

2008 Legislative Priority Governmental Accountability

Governor Blunt supports legislation requiring the Missouri Accountability Portal to be permanent, ensuring taxpayers have continued access to state financial records.